

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT, REPRESENTING THE INTERESTS OF THE FUTURE SANTA MONICA UNIFIED SCHOOL DISTRICT, AND THE CITY OF MALIBU, REPRESENTING THE INTERESTS OF THE FUTURE MALIBU UNIFIED SCHOOL DISTRICT

This Property Tax Sharing Agreement (“Agreement”) is entered into and effective ____, 2024 (“Effective Date”), between the Santa Monica-Malibu Unified School District (“SMMUSD”), representing the interests of the future Santa Monica Unified School District (“SMUSD”), and the City of Malibu (“Malibu”), representing the interests of the future Malibu Unified School District (“MUSD”), hereinafter referred to as the “Parties”, and with respect to the following Recitals, which are incorporated by reference into this Agreement.

A. RECITALS

WHEREAS, SMMUSD is the current provider of transitional kindergarten through twelfth grade public education for students residing within the cities of Santa Monica and Malibu, as well as the adjacent unincorporated territory of Los Angeles County; and,

WHEREAS, SMMUSD and Malibu have agreed to pursue the unification of MUSD from territory within SMMUSD with the intention of the two resulting school districts serving their respective communities; and,

WHEREAS, Education Code section 35511(a)(2) allows for the action to form a new unified school district from all or parts of one or more existing unified school districts; and,

WHEREAS, on the Separation Date (as defined below), SMUSD will become the primary provider of transitional kindergarten through twelfth grade public education for students in the City of Santa Monica, California, which boundaries are reflected and included in **Exhibit A**, attached and incorporated in this agreement (“SMUSD Boundaries”); and,

WHEREAS, on the Separation Date (as defined below), MUSD will become the primary provider of transitional kindergarten through twelfth grade public education for students in Malibu, California, and adjacent unincorporated areas of Los Angeles County, which boundaries are reflected and included in **Exhibit B**, attached and incorporated in this agreement (“MUSD Boundaries”); and,

WHEREAS, on June 6, 1978, the voters of the State of California amended the California Constitution by adding Article XIII A (commonly referred to as Proposition 13), which limited the total amount of property taxes which could be levied on property by local taxing agencies having such property within their territorial jurisdiction to one percent (1%) of assessed value of the property; and,

WHEREAS, a portion of the one percent (1%) property tax revenues allocated within the boundaries of SMMUSD has, by law, been used to provide funding for educational programs since 1978 in SMMUSD; and,

WHEREAS, SMMUSD is currently a community-funded school district, also known as a “Basic Aid District,” whereby it receives a majority of its general, unrestricted funding from local property taxes because local property taxes exceed the State’s guaranteed per-student funding amount as calculated through the Local Control Funding Formula (“LCFF”) and is, therefore, allowed to retain all of the allotted property tax revenues; and,

WHEREAS, it is anticipated, but not certain, that both SMUSD and MUSD will each be Basic Aid Districts on the Separation Date and thereafter, whereby they will receive a majority of their general, unrestricted funding from local property taxes; and,

WHEREAS, the parties agree that SMUSD and MUSD shall be allocated a sufficient share of funding to provide for a similar level of service at each school site as delivered by SMMUSD in the fiscal year prior to the Separation Date.

WHEREAS, SMMUSD and Malibu enter into this Agreement based on a desire to codify a fair and equitable approach to the creation of two separate unified school districts and the division of real property tax revenue derived from the territory of SMMUSD and now allocated for educational services to SMMUSD; and,

WHEREAS, Revenue and Taxation Code section 99 provides a description for the reallocation of the property tax revenue when a jurisdictional change occurs that will alter the service area or service responsibility of a local agency that can be utilized by the Los Angeles County Auditor-Controller to calculate the amount of property taxes that would be allocated to SMUSD and MUSD based on the Tax Rate Areas within each agency’s boundaries; and,

WHEREAS, the allocation of tax revenues is subject to negotiation per Revenue and Taxation Code section 99(i) ; and is otherwise allocated by district territory; and,

NOW, THEREFORE, the parties agree as follows:

B. DEFINITIONS

1. For the purposes of this Agreement, the following terms shall have the meanings set forth below:
 - a. “Annual Calculation Date” shall mean the date by which the calculations to determine the Property Tax Transfer Amount are completed each fiscal year, which shall be no later than October 15.
 - b. “Base Year” shall mean the first fiscal year commencing after the Separation Date.

- c. "CALPADS Form 1.17" shall mean the report filed annually with the State of California Department of Education through the California Longitudinal Pupil Achievement Data System by which annual enrollment figures are certified.
- d. "Growth Factor" shall be the annual increase in Target SMUSD Per Pupil Revenue, which the parties have agreed will not exceed 104%.
- e. "JPA" shall mean a Joint Powers Authority formed to execute the terms of this Agreement.
- f. "Malibu School Sites" shall mean the schools currently operated by SMMUSD within the Malibu area of SMMUSD, specifically Malibu Elementary School, Webster Elementary School, and Malibu Middle/High School.
- g. "MUSD Boundaries" shall mean the territory to be served by Malibu Unified School District after the Separation Date that was previously part of the boundaries of SMMUSD, including the City of Malibu, a portion of the City of Westlake Village, and contiguous adjacent unincorporated territory of Los Angeles County, as shown on the map in **Exhibit B**.
- h. "MUSD Enrollment" shall mean the total student enrollment as reported by the California Department of Education through CALPADS from the first Wednesday of October of each school year for the Malibu School Sites.
- i. "Object Codes" shall mean the four (4) digit code that is used in the State of California's Standardized Account Code Structure (SACS) for Local Educational Agencies (LEA) and that identifies the type of revenue received or expenditure made by an LEA.
- j. "Operational Transfer Agreement" shall mean the agreement entered into between SMMUSD and Malibu to provide the framework for how the Parties will work together during the time preceding the formation of the future MUSD.
- k. "Per Pupil Cost Differential" shall equal \$600 per pupil, recognizing the difference in cost to operate all schools within the MUSD boundaries as compared to the cost to operate all schools within the SMUSD boundaries.
- l. "Property Tax Transfer Amount" shall mean the amount of property tax revenues transferred from MUSD to SMUSD pursuant to the calculations described in Sections 5 and 6 of this Agreement.
- m. "Resource Codes" shall mean the source of specific revenues.
- n. "SACS" is the State of California's Standardized Account Code Structure, defining statewide Object Codes, Resource Codes, and other reporting conventions for LEAs.

- o. “Santa Monica School Sites” shall mean the schools operated by the SMMUSD within the Santa Monica area of SMMUSD, specifically Edison Elementary School, Franklin Elementary School, Grant Elementary School, McKinley Elementary School, John Muir Elementary School, Rogers Elementary School, Roosevelt Elementary School, SMASH Elementary School, John Adams Middle School, Lincoln Middle School, Olympic High School, and Santa Monica High School.
- p. “Separation” shall mean dissolution of the SMMUSD and the creation of the SMUSD and MUSD.
- q. “Separation Date” shall mean the 1st of July in the year whereby the separate Malibu Unified School District and Santa Monica Unified School District become officially operational as authorized by the California Department of Education.
- r. “SMMUSD Enrollment” shall mean the total student enrollment as reported by the California Department of Education through CALPADS from the first Wednesday of October of each school year until Separation.
- s. “SMUSD Boundaries” shall mean the territory to be served by Santa Monica Unified School District after the Separation Date, that was previously part of the boundaries of SMMUSD, including the City of Santa Monica, as shown on the map in **Exhibit A**.
- t. “SMUSD Enrollment” shall mean the total student enrollment as reported by the California Department of Education through CALPADS from the first Wednesday of October of each school year for the Santa Monica school sites located on Exhibit A.
- u. “Tax Rate Areas” shall mean a geographical area comprised of a unique combination of taxing jurisdiction, including a city, county, school district, and special district.
- v. “Unrestricted General Fund Revenues” shall mean the sum of all Fund 01 - General Fund Unrestricted Revenues reported in Object Codes 8010 through 8799 and Resource Codes 0000 through 1999 of the Unaudited Actual Financial Statements as prepared in accordance with SACS.
- w. “Unaudited Actual Financial Statements” shall mean the annual financial statements prepared and reported to the California Department of Education, which reflect the actual financial activities of the school district for the prior year.

C. AGREEMENT

1. Effect of Recitals. The foregoing Recitals are incorporated by reference into this Agreement.

2. Calculation of Property Tax Revenues. SMMUSD currently collects property tax revenues derived from one hundred and three (103) Tax Rate Areas, eleven (11) of which will be in the SMUSD Boundaries and ninety two (92) of which will be in the MUSD Boundaries. The property tax revenues generated within the Tax Rate Areas of SMUSD Boundaries will be distributed to SMUSD after the Separation Date and, likewise, the property tax revenues generated within the Tax Rate Areas of MUSD Boundaries will be distributed to MUSD after the Separation Date. The property tax allocation will be calculated in the following manner:
 - a. In the year commencing with the Separation Date, the Parties will request that the Los Angeles County Assessor (“Assessor”) prepare a report which identifies the assessed valuations for the territory that is subject to the jurisdictional change and the related Tax Rate Areas.
 - b. Using the report prepared by the Assessor, the parties shall request that the Los Angeles County Auditor-Controller (“Auditor-Controller”) estimate the amount of property tax revenue generated within the territory that is the subject of the jurisdictional change.
 - c. The parties will request that the Auditor-Controller provide an estimate of what proportion of the property tax revenue determined pursuant to Paragraph 2(b) is attributable to either MUSD or SMUSD, pursuant to Revenue and Taxation Code sections 96.1 and 96.5.
3. Distribution of Property Tax Revenues. Upon Separation, the property tax revenues of the former SMMUSD will be redistributed to SMUSD and MUSD. The school district share of property tax revenues generated from the Tax Rate Areas within MUSD Boundaries, as defined in **Exhibit B**, will be permanently allocated to MUSD. Likewise, the school district share of property tax revenues generated from Tax Rate Areas within the boundaries of SMUSD, as defined in **Exhibit A**, will be permanently allocated to SMUSD.
4. Sharing of Property Tax Revenues. The parties have agreed to share property tax revenues in the following manner.
 - a. For the Base Year, a calculation will be completed to determine the Property Tax Transfer Amount pursuant to Section 5 hereof.
 - b. In each subsequent fiscal year after the Base Year, the Property Tax Transfer Amount will be calculated by the JPA on the Annual Calculation Date pursuant to Section 6 hereof.
5. Base Year Property Tax Transfer Calculation. By October 15, immediately following the Separation Date, the following calculation shall be completed by the JPA to determine the Base Year Property Tax Transfer Amount.

- a. Calculate the Base Year Target SMUSD Per Pupil Revenue by completing the following calculation:
- i. Identify the SMMUSD total Unrestricted General Fund Revenues in the fiscal year prior to the Separation Date by totaling Unrestricted Revenues in Object Codes 8010 through 8799 of the SMMUSD Unaudited Actual Financial Statements, applying agreed upon adjustments to negate one time revenues, education foundation revenues, and non-monetary accounting adjustments and accruals, as demonstrated in **Step 1 of Exhibit C** and delineated in **Exhibit D**.
 1. The property tax revenues as identified in Object Codes 8041 through 8048 shall be provided by the Auditor-Controller utilizing the amount provided in Sections 2 and 3 of this Agreement.
 - ii. Multiply the SMMUSD total Unrestricted General Fund Revenues in the fiscal year prior to the Separation Date, identified in 5.a.i., by the Growth Factor of no more than 104% to determine the Base Year SMMUSD Total Unrestricted Revenues, as demonstrated in **Step 2 of Exhibit C**.
 - iii. Divide the Base Year SMMUSD total Unrestricted General Fund Revenues, as calculated in 5.a.ii., by the SMMUSD Enrollment in the year prior to the Separation Date, to determine the SMMUSD Unadjusted Per Pupil Revenue, as demonstrated in **Step 3 of Exhibit C**.
 - iv. Deduct the Per Pupil Cost Differential of \$600 from the SMMUSD Unadjusted Per Pupil Revenue to establish the Adjusted Per Pupil Revenue, as demonstrated in **Step 4 of Exhibit C**.
- b. Calculate the SMUSD Computed Enrollment (defined as SMUSD Enrollment capped at 88% of SMMUSD Enrollment) by completing the following calculation:
- i. Subtract the MUSD Enrollment in the year prior to Separation from the SMMUSD Enrollment in the year prior to Separation to determine the prior year SMUSD enrollment, as demonstrated in **Step 5 of Exhibit C**.
 - ii. Divide the prior year SMUSD enrollment by the SMMUSD Enrollment in the year prior to Separation, as demonstrated in **Step 6 of Exhibit C**.
 - iii. If the quotient computed in Section 5(b)(ii), exceeds 88.0%, set the SMUSD enrollment as Percentage of SMMUSD Enrollment to 88.0%, otherwise, set the SMUSD enrollment as a percentage of SMMUSD Enrollment to the quotient computed in Section 5(b)(ii), as demonstrated in **Step 7 of Exhibit C**.

- iv. Multiply the SMMUSD Enrollment in the year prior to Separation by the percentage of SMMUSD Enrollment computed in Section 5(b)(iii) to calculate the SMUSD Computed Enrollment (defined as SMUSD Enrollment capped at 88% of SMMUSD Enrollment), as demonstrated in **Step 8 of Exhibit C**.
- c. Calculate the SMUSD Funding Target by completing the following calculation:
 - i. Multiplying the Per Pupil Cost Differential, as calculated in 5.a.iv., by the SMUSD Computed Enrollment (defined as SMUSD Enrollment capped at 88% of SMMUSD Enrollment) to establish the Base Year SMUSD Funding Target, as demonstrated in **Step 9 of Exhibit C**.
 - d. Determine the Base Year Property Tax Transfer Amount by completing the following calculation, as shown in **Exhibit C**:
 - i. Allocate all SMMUSD Unrestricted General Fund Revenues in Object Codes 8010 through 8799, as identified in the SMMUSD Unaudited Actual Financial Statements for the year prior to the Separation Date, between SMUSD and MUSD based on the following, as shown in **Exhibit D**:
 1. State Aid (Object Code 8011) allocated by enrollment.
 2. Education Protection Account (Object Code 8012) allocated by enrollment.
 3. Property Tax Sources (Object Codes 8021-8048) allocated based on calculations provided by the Auditor-Controller based on the territory in which the revenues are generated.
 - a. Prior Year Taxes (Object Code 8043) is excluded from this calculation.
 4. LCFF Transfers (Object Code 8096) is excluded from this calculation.
 5. Federal Revenues (Object Code 8290) is allocated by enrollment.
 6. Other State Revenues (Object Codes 8500-8590), appropriated as ongoing revenues, is allocated by enrollment.
 - a. Excluding one-time State allocations.
 7. Parcel Taxes (Object Code 8621) is allocated based on location of the parcels.

8. Sales (Object Codes (8630-8639) would be excluded from this calculation.
 9. Leases (Object Code 8650) of SMUSD retained property shall be allocated to SMUSD. Leases (Object Code 8650) of MUSD retained property shall be allocated to MUSD.
 10. Interest (Object Code 8660) would be allocated by enrollment.
 11. Transportation Fees (Object Code 8675) is allocated to MUSD.
 12. Other Local Revenues (Object Codes 8699) is allocated based on the source of funds.
 - a. Measure Y/GSH, Santa Monica Joint Use is allocated to SMUSD.
 - b. Malibu Joint Use is allocated to MUSD.
 - c. Other Local Revenues that are ongoing in nature is allocated based on the source of the revenue.
 - d. Remaining Other Local Revenues that are one time in nature and revenues received from the Santa Monica and Malibu Education Foundations are excluded from this calculation.
- ii. Determine the projected SMUSD Unrestricted General Fund Revenues by adding together all unrestricted General Fund revenues in Object Codes 8010 through 8799 (excluding Object Code 8043, Prior Year Taxes) allocated to SMUSD based on the Unaudited Actual Financial Statements as identified in Section 5(d)(i) and increase such revenues based on the projected percentage increase agreed upon by the Parties as identified in **Exhibit D**, and demonstrated as **Step 10 of Exhibit C**.
 - iii. Divide the SMUSD Unrestricted General Fund Revenues by the SMUSD Computed Enrollment in the year commencing with the Separation Date to determine the Base Year SMUSD Per Pupil Revenue, as demonstrated in **Step 11 of Exhibit C**.
 - iv. Divide the Base Year SMUSD Funding Target, as calculated in Section 5(c)(i), by the SMUSD Computed Enrollment in the year commencing with the Separation Date to determine the Base Year Target SMUSD Per Pupil Revenue, as demonstrated in **Step 12 of Exhibit C**.
 - v. Subtract the Base Year SMUSD Per Pupil Revenue, from Section 5(d)(iv), from the Base Year SMUSD Per Pupil Revenue, from Section 5(d)(iii), to determine Base Year Per Pupil Funding Need, as demonstrated in **Step 13 of Exhibit C**.

vi. If the Base Year Per Pupil Funding Need is positive, multiply the Base Year Per Pupil Funding Need by the SMUSD Computed Enrollment to determine the Base Year Property Tax Transfer Amount, as demonstrated in **Step 14 of Exhibit C**.

1. If the Base Year Per Pupil Funding Need is negative, the Base Year Property Tax Transfer Amount shall be \$0.

6. Annual Property Tax Transfer Calculation. Beginning in the first fiscal year following the Base Year, the following calculation shall be completed on each Annual Calculation Date to determine the Annual Property Tax Transfer Amount:

a. Divide the Prior Year SMUSD Funding Target by the Prior Year SMUSD Enrollment to determine the SMUSD Per Pupil Revenue, as demonstrated in **Step 1 of Exhibit E**.

b. Multiply the Prior Year SMUSD Funding Target by the Growth Factor not to exceed 104% to establish the current year SMUSD Funding Target, as demonstrated in **Step 2 of Exhibit E**.

c. Divide the current year SMUSD Funding Target by the current year SMUSD Enrollment to establish the Target SMUSD Per Pupil Revenue, as demonstrated in **Step 3 of Exhibit E**.

d. Determine the projected SMUSD Unrestricted General Fund Revenues by adding together all unrestricted General Fund revenues in Object Codes 8010 through 8799 (excluding Object Code 8043, Prior Year Taxes) allocated to SMUSD based on the Unaudited Actual Financial Statements as identified in 5.d.i. and increase such revenues based on the projected percentage increase agreed upon by the Parties as identified in **Exhibit D**, and demonstrated as **Step 4 of Exhibit E**.

i. The property tax revenues as identified in Object Codes 8041 through 8048 shall be provided by the Auditor-Controller each year.

ii. Any new, on-going revenue source not explicitly identified in **Exhibit D** at the time of execution of this Agreement shall be excluded from the SMUSD Unrestricted General Fund Revenues, except for any revenues intended to replace all or part of an existing, on-going revenue stream previously received by SMUSD and identified in **Exhibit D**.

iii. Santa Monica Education Foundation revenues shall be excluded from the SMUSD Unrestricted General Fund Revenues.

- e. Divide the SMUSD Unrestricted General Fund Revenues by the SMUSD Enrollment as identified in the most recently available CALPADS Form 1.17 to determine the SMUSD Actual Per Pupil Revenue, as demonstrated in **Step 5 of Exhibit E**.
 - f. Subtract the SMUSD Actual Per Pupil Revenue from the Target SMUSD Per Pupil Revenue to determine the Per Pupil Funding Need, as demonstrated in **Step 6 of Exhibit E**.
 - g. If the Per Pupil Funding Need is positive, multiply the Per Pupil Funding Need by the SMUSD Enrollment as identified in the most recently available CalPADS Form 1.17 to determine the Property Tax Transfer Amount, as demonstrated in **Step 7 of Exhibit E**.
 - i. If the Per Pupil Funding Need is negative, the Property Tax Transfer Amount shall be \$0.
7. Changes to Other Local Revenue Sources. In the event there is a permanent or temporary change to allocations to SMUSD revenues listed under Other Local Revenue Sources in Object Code 8699, and as identified in **Exhibit D** at the time of the execution of this Agreement, a proportionate adjustment shall be applied to MUSD's Property Tax Transfer Amount. The Property Tax Transfer Amount owed by MUSD shall be adjusted as follows, as demonstrated in **Exhibit F**:
- a. In the year of the change to Other Local Revenue Sources, the proportionate adjustment shall be calculated by multiplying the amount of the change to the Other Local Revenue by 12%. This shall be added to the amount determined by the Annual Property Tax Transfer Calculation which is based on the projected percentage increase agreed upon by the Parties as identified in **Exhibit D**.
 - i. Example: if SMUSD's Joint Use Lease Funding is reduced in the amount of eight million dollars (\$8,000,000), MUSD's Property Tax Transfer Amount shall be adjusted by nine hundred and sixty thousand dollars (\$960,000).
 - b. Once the change in Other Local Revenue Sources is reflected in the Unaudited Actual Financial Statements, in all other years subsequent to a change in Other Local Revenue Sources, as identified in Section 7(a), the proportionate adjustment shall be calculated by multiplying the amount of the change by 88%. This shall be subtracted from the amount determined (**Step 7 of Exhibit E**) by the Annual Property Tax Transfer Calculation which is based on the projected percentage increase agreed upon by the Parties as identified in **Exhibit D**.
 - i. Example: if SMUSD's Joint Use Lease Funding was reduced in the amount of eight million dollars (\$8,000,000), MUSD's Property Tax Transfer Amount shall be reduced by seven million forty thousand dollars (\$7,040,000).

- ii. Once the proportionate adjustment amount has been established, the credit would continue annually, adjusting for inflation at the rate set forth for the identified revenue source in **Exhibit D**, until all or a portion of the revenue source is re-instated back to its historical basis at the time of the original loss in revenue. If a portion of the revenue source is re-instated, the adjustment will be reduced proportionately, in accordance with this section of the agreement, as demonstrated in **Exhibit F**.
8. Other Loss of Other Local Revenue Sources. If there is a loss to Other Local Revenue Sources, not previously identified in Section 7, that exceeds 20% of the prior years' receipts for that line item, there shall be an accounting performed by an independent financial professional engaged and funded by the JPA that compares the previous years' calculations with the current year calculations described in Sections 5 and 6. The accounting shall include an evaluation of how revenues are categorized and included and whether there is evidence of the Parties intent that new revenues replace the prior revenue source identified in **Exhibit D**. The accounting shall accompany a report of findings, if any, to the JPA that identifies any inconsistencies with the Agreement.
- a. Any subsequent corrections required as a result of the findings shall be applied to the true-up calculation, as described below in Section 9.
 - b. If the one or both of the Parties disagree with the independent accounting and report of findings, the Parties shall follow the Dispute Resolution clause of this Agreement found at Section 13.
9. Fund Balance Allocation Adjustments. If the initial allocation of Unrestricted General Fund Balance allocated by SMMUSD to MUSD, as described in Section 4.d.i. of the Operational Transfer Agreement, results in a MUSD fund balance of less than seven million five hundred thousand dollars (\$7,500,000), then there shall be an adjustment to MUSD's Property Tax Transfer Amount. The Property Tax Transfer Amount owed by MUSD shall be adjusted as follows, and as demonstrated in **Exhibit G**.
- a. In the second year of operations following the Separation Date, the Property Tax Transfer Amount shall be reduced by 66.67% of the amount of the MUSD deficit spending for the prior year Unaudited Actual Financial Statements of the Unrestricted General Fund (first year of operations of MUSD).
 - b. In the third year of operations following the Separation Date, the Property Tax Transfer Amount shall be reduced by 33.33% of the amount of the MUSD deficit spending for the prior year Unaudited Actual Financial Statements of the Unrestricted General Fund (second year of operations of MUSD).

c. Repayment of Fund Balance Allocation.

- i. To the extent that the initial allocation of Unrestricted General Fund Balance allocated by SMMUSD to MUSD, as described in Section xxx of the Operational Transfer Agreement, results in an allocation in excess of 22% of the SMMUSD Unrestricted General Fund Balance, the amount in excess of 22% shall be repaid by MUSD to SMUSD as an adjustment to the Property Tax Transfer Amount in the final year of this Agreement.
- ii. Any adjustments to the Property Tax Transfer Amount as described in Sections 9.a. and 9.b. shall be repaid by MUSD to SMUSD as an adjustment to the Property Tax Transfer Amount in the final year of this Agreement.

10. True-Up Calculations and Payments. On October 15 of each year, the actual revenues from the prior fiscal year, as provided in the Unaudited Actual Financial Statements, shall be used to true-up the Annual Property Tax Transfer Calculation. Any adjustments to the Property Tax Transfer Amount shall be made in the current fiscal year.

- a. Adjustment may be made to true-up for prior year if audit report includes an audit adjustment to be booked for prior year unrestricted revenue.
- b. On October 15 of the second fiscal year after Separation, in addition to Section 8(a), the Base Year Property Tax Transfer Calculation shall be recomputed utilizing actual certified CalPADS Form 1.17 for the Base Year applied to the Prior Year SMUSD Funding Target for the second fiscal year following Separation.
 - i. Any adjustments to the Property Tax Transfer Amount shall be made in the current fiscal year.

11. Property Tax Revenue Transfer. The Property Tax Transfer Amount shall be computed by the JPA no later than October 15 of each fiscal year and provided to the Auditor-Controller. The Auditor-Controller will re-allocate property taxes from MUSD to SMUSD and distribute the Property Tax Transfer Amount twice annually, in conjunction with other property tax allocations. It is anticipated that such allocations will occur in December and April of each year.

- a. Any delay in providing the Property Tax Transfer Amount could impact the timing of the allocations.

12. Termination.

- a. Early Termination. The calculation described in Section 6 of this Agreement shall be completed each year on the Annual Calculation Date. If no portion of property tax from

MUSD tax rate areas transferred to SMUSD from the County Assessor has been required for three (3) years, the Agreement terminates, i.e., no additional calculations or payments will be made.

- b. In the event that there is no Property Tax Transfer from MUSD to SMUSD in 2041-42, the Agreement terminates on June 30, 2042. In the event that a Property Tax Transfer from MUSD to SMUSD occurs in the 2041-42 Fiscal Year, payments will be tapered off over the course of either a Five-Year Termination Period or a Ten-Year Termination Period, as described below.

- i. Five-Year Termination Period. If the Property Tax Transfer Amount in 2041-42 is greater than zero dollars (\$0) but less than five million dollars (\$5,000,000), the Property Tax Transfer Amount shall be calculated as described in Section 6 and shall be reduced by twenty percent (20%) per year for each year beginning in 2042-43 and terminating in 2046-47.

- 1. For example, in 2042-43, the reduction is twenty percent (20%) of the Property Tax Transfer Amount calculated in Section 6. In 2043-44, the reduction is forty percent (40%) of the Property Tax Transfer Amount calculated in Section 6. In 2044-45, the reduction is sixty percent (60%) of the Property Tax Transfer Amount calculated in Section 6. This annual twenty percent (20%) reduction will continue until 2046-47, at which time the reduction will be one hundred percent (100%) and no Property Tax Transfer will be made.

- 2. If the calculation described in Section 6 results in a Property Tax Transfer of zero dollars (\$0), the Agreement shall terminate, i.e., no additional calculations or payments will be made. This termination applies to any fiscal year during the Five-Year Termination Period.

- ii. Ten-Year Termination Period. If the Property Tax Transfer Amount in 2041-42 is five million dollars (\$5,000,000) or more, the Property Tax Transfer Amount shall be calculated as described in Section 6 and shall be reduced by ten percent (10%) per year for each year beginning in 2042-43 and terminating in 2051-52.

- 1. For example, in 2042-43, the reduction is ten percent (10%) of the Property Tax Transfer Amount calculated in Section 6. In 2043-44, the reduction is twenty percent (20%) of the Property Tax Transfer Amount calculated in Section 6. In 2044-45, the reduction is thirty percent (30%) of the Property Tax Transfer Amount calculated in Section 6. This annual ten percent (10%) reduction will continue until 2051-52, at which time the reduction will be one hundred percent (100%) and no Property Tax Transfer will be made.

2. If the calculation described in Section 6 results in a Property Tax Transfer of zero dollars (\$0), the Agreement shall terminate, i.e., no additional calculations or payments will be made. This termination applies to any fiscal year during the Ten-Year Termination Period.

13. Modifications to the Calculations. If an unforeseen event occurs, it is the intent of the Parties to provide protections where unforeseen changes in revenues significantly impact either party. There are two (2) such conditions identified by the Parties: Significant Variance and Significant Change in Per Pupil Funding.

- a. Significant Variance. A Significant Variance occurs when there is an unforeseen change in revenue, including but not limited to: natural disasters, changes in state law affecting how California school districts are funded, including the collection of property taxes distributed to school districts, changes to the amount of Local Revenues collected by the Parties.
 - i. If any of the events described in Section 13(a) occur and there is a significant variance in the Property Tax Transfer Amount, as defined below in Section 13(a)(i)(1) and Section 13(a)(i)(2), then the Remedy defined in Section 13(c) shall occur.
 1. For MUSD, a Significant Variance occurs when the methodology in **Exhibits C, D, and E** of this agreement results in a Property Tax Transfer Amount that exceeds the following:
 - a. For the Base Year, the significant variance is defined by any contribution greater than 38% of MUSD total unrestricted general fund revenues.
 - b. For each year after the Base Year, the significant variance is defined by a change from the prior year's Property Tax Transfer Amount beyond \$675,000.
- b. Significant Change in Per Pupil Funding. When the calculation set forth in Section 6 results in a Property Tax Transfer Amount that would significantly impact the educational program delivery to students by reducing per pupil revenue, as set forth in Section 13(b)(i) below, in any given fiscal year due to circumstances beyond the control of the MUSD and/or SMUSD Board or administration, then the Remedy defined in Section 13(c) shall occur.
 - i. For SMUSD, a Significant Change in Per Pupil Funding occurs if the financial modeling under **Exhibits C, D, and E** of this agreement results in Target

SMUSD Per Pupil Revenue growth of less than two percent (2%) over prior year SMUSD Actual Per Pupil Revenue.

- c. Remedy. If there is a Significant Variance or a Significant Change in Per Pupil Funding for either Party, as defined above, then the JPA shall determine whether and/or how to adjust Section 5 and Section 6 of the Agreement based on the guiding principles that no student is harmed, considering the revenues identified in **Exhibit D**.

14. Dispute Resolution. The Parties shall diligently cooperate with one another and with the person(s) appointed to resolve the dispute and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute. All disputes shall be decided in accordance with this Agreement and general principles of California law as hereto described.

- a. Initial Dispute Resolution. If there is a dispute or difference arising out of or in connection with this Agreement, the Parties shall first attempt to resolve the dispute by convening a meeting within five (5) business days after the date that a written request for dispute resolution is submitted by one of the Parties. That meeting will include the Superintendents of each LEA (and/or their designee) and a representative of the JPA. There shall be at least one meeting to attempt to resolve the dispute at this level, but the Parties may continue to negotiate in this manner until one or both Parties submits a request for Dispute Resolution by an Independent Arbiter to the JPA.
- b. Dispute Resolution by an Independent Arbiter. If the dispute cannot be resolved with the Initial Dispute Resolution process, then the dispute will be submitted to an Independent Arbiter to be agreed upon by the Parties. If the Parties cannot agree, the JPA will select an Independent Arbiter and send notice to the Parties of their selection within ten (10) calendar days of receiving the request for Dispute Resolution by an Independent Arbiter. Within fifteen (15) calendar days of the JPA sending notice to the Parties identifying the Independent Arbiter, each party shall separately submit the following written information to the Independent Arbiter: (a) an explanation of the nature of the dispute; (b) the party's position; (c) the dollar amount and/or financial impact of the dispute; and (d) any supporting documents the party believes will aid the Independent Arbiter in arriving at a decision. The Independent Arbiter can, but does not have to, request additional information from either party. The Independent Arbiter will issue a written decision within forty-five (45) calendar days of the JPA sending notice to the Parties identifying the Independent Arbiter. The decision of the Independent Arbiter shall be final.
- c. Depending on the materiality of the amount in dispute, the JPA has discretion to discount the Property Tax Transfer Amount that is provided to the Auditor-Controller, as described in Section 11, to allow time for the Independent Arbiter to reach a resolution of the dispute. Alternatively, the JPA can determine whether any adjustment should be made in the true-up calculation described in Section 9.

- d. Nothing in this Agreement, however, shall be construed as making final the decision of any Independent Arbiter on a question of law, which shall be settled in accordance with the laws of the State of California.
15. Caveats to Calculations and Exhibits. Every effort was made to make the calculations and exhibits as accurate as possible. However, because the formula is based on estimates and assumptions, the actual funding may differ from the amounts identified in the exhibits to this agreement. The items highlighted in **Exhibit H** identify some of the unique situations and issues that could be identified.
16. Entire Agreement/Amendment. This Agreement constitutes the entire understanding and agreement between the Parties as to those matters therein contained and supersedes any and all prior or contemporaneous agreements, representations, and understandings of the Parties. This Agreement may be amended at any time by mutual agreement of the Parties, but any such amendment must be in writing, dated, and signed by the Parties and attached hereto.
17. Attorneys' Fees. If any legal action or proceeding is brought to enforce or interpret this Agreement, not including the Dispute Resolution described in Section 13, each Party shall bear their own attorneys' fees, including any such fees and costs as may be incurred in enforcing any judgment or order entered in any such action.
18. Severability. In the event any portion of this Agreement is declared void, such portion shall be severed from this Agreement and the remaining provisions shall remain in effect, unless the result of such severance would be to substantially alter this Agreement or the obligations of the parties, in which case this Agreement shall be immediately terminated.
19. Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking, or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking, or condition. To be effective, a waiver must be in writing, signed and dated by the Parties.
20. Representation by Counsel. The Parties acknowledge and agree that they were, or had the opportunity to be, represented individually by legal counsel with respect to the matters that are the subject of this Agreement and that they are fully advised with respect to their respective rights and obligations resulting from signing this Agreement.
21. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The Parties agree that venue for any dispute shall be in Los Angeles County, California.
22. Section Headings. The headings on each of the sections and subsections of this Agreement are for the convenience of the Parties only and do not limit or expand the contents of any such section or subsection.

23. Exhibits. The exhibits attached to this Agreement and the numbers therein are demonstrative. Each exhibit is intended to be dynamic and will be used annually to calculate the aforementioned formulas based on the accurate and relevant data available to the Parties each fiscal year.

24. No Assignment. Neither Party may assign this Agreement in whole or in part.

[SIGNATURES ON THE FOLLOWING PAGE]

REVIEW DRAFT
(DATED 08/21/24)

EXHIBITS

Exhibit A: SMUSD Boundaries

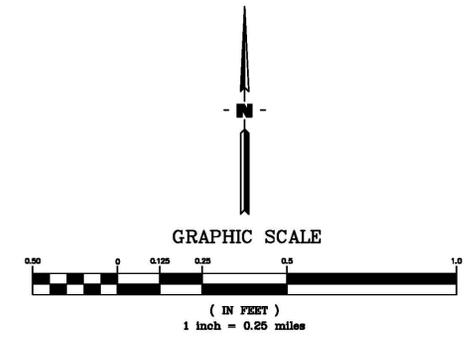
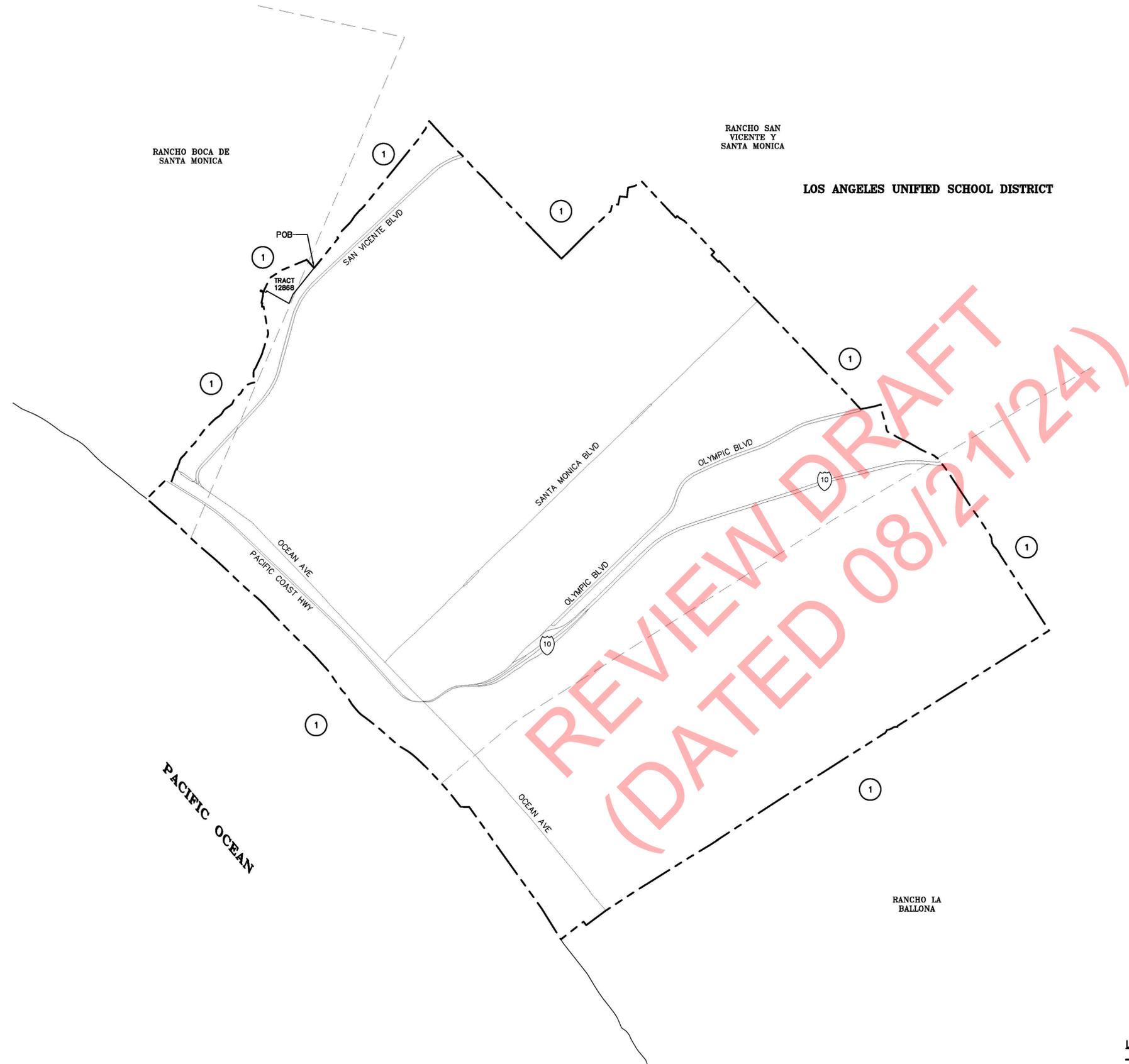
REVIEW DRAFT
(DATED 08/21/24)

SAMPLE EXHIBIT A - PROPOSED SANTA MONICA USD BOUNDARIES

LEGAL DESCRIPTION OF THE
PROPOSED SANTA MONICA
UNIFIED SCHOOL DISTRICT

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 1 OF TRACT NO. 12868, AS SHOWN ON MAP FILED IN BOOK 271, PAGES 40 AND 41, OF MAPS, IN THE OFFICE OF THE RECORDER OF THE COUNTY OF LOS ANGELES, SAID POINT BEING THE NORTHEAST CORNER OF CITY OF SANTA MONICA ANNEXATION NO. 7, EFFECTIVE DATE JANUARY 9, 1979;

1. THENCE ALONG THE BOUNDARY OF THE CITY OF SANTA MONICA AS SAME EXISTED ON JANUARY 9, 1979 AND FOLLOWING THE SAME IN ALL ITS VARIOUS COURSES AND CURVES TO THE POINT OF BEGINNING.

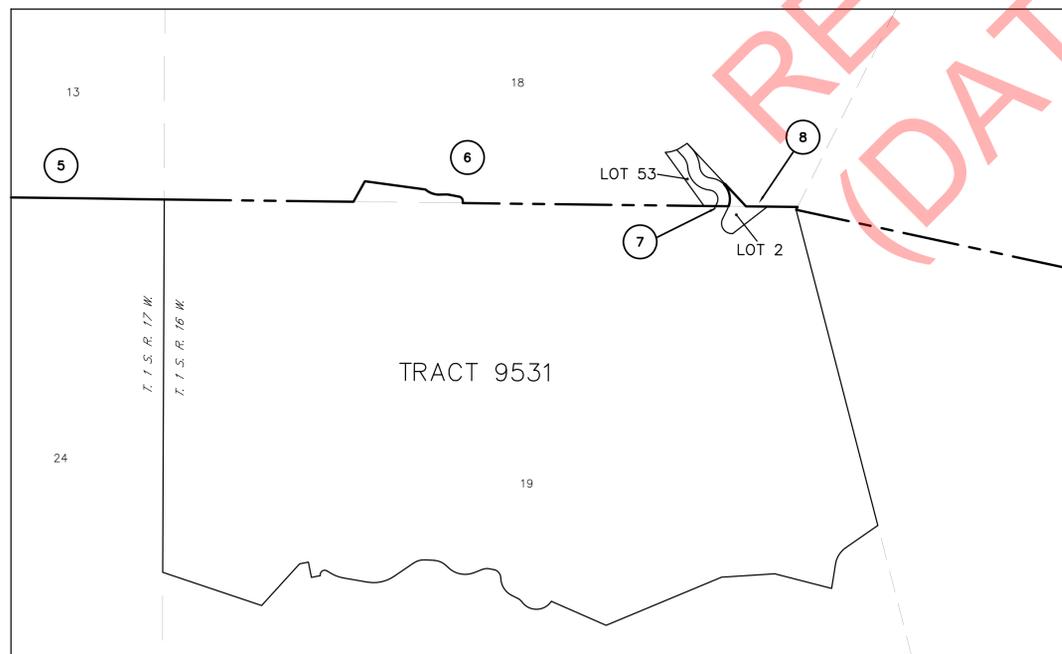
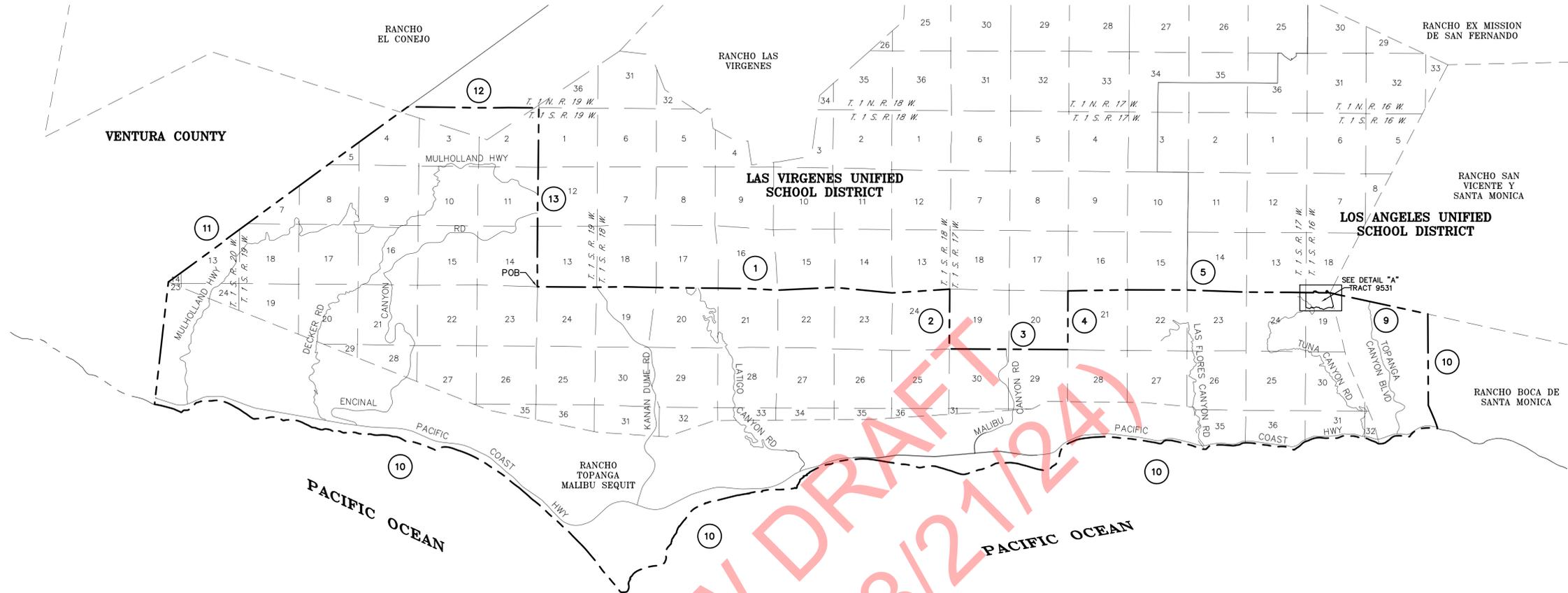


LEGEND:
 BOUNDARY LINE
 LINE NUMBER PER LEGAL DESCRIPTION

PROPOSED
SANTA MONICA UNIFIED
SCHOOL DISTRICT
BOUNDARIES

Exhibit B: MUSD Boundaries

REVIEW DRAFT
(DATED 08/21/24)

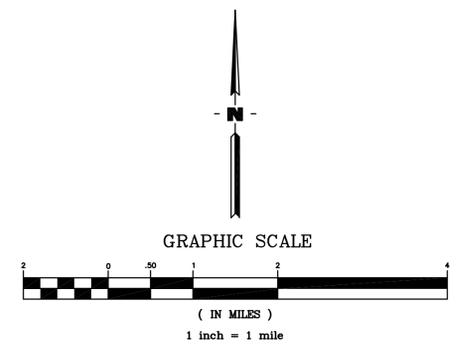


DETAIL "A"
1 inch = 300 feet

LEGAL DESCRIPTION OF THE PROPOSED MALIBU UNIFIED SCHOOL DISTRICT

- BEGINNING AT THE NORTHWEST CORNER OF THE SECTION 24, TOWNSHIP 1 SOUTH, RANGE 19 WEST, S.B.M.;
1. THENCE EASTERLY ALONG SECTION LINES TO THE NORTHEAST CORNER OF SECTION 24, TOWNSHIP 1 SOUTH, RANGE 18 WEST, S.B.M.;
 2. THENCE SOUTHERLY ALONG SECTION LINE TO THE SOUTHEAST CORNER OF THE SAID LAST MENTIONED SECTION;
 3. THENCE EASTERLY ALONG SECTION LINES TO THE SOUTHWEST CORNER OF SECTION 21, TOWNSHIP 1 SOUTH, RANGE 17 WEST, S.B.M.;
 4. THENCE NORTHERLY ALONG SECTION LINE TO THE NORTHWEST CORNER OF SAID LAST MENTIONED SECTION;
 5. THENCE EASTERLY ALONG SECTION LINES TO THE MOST WESTERLY NORTHWESTERLY CORNER OF THE TRACT NO. 9531, AS SHOWN ON MAP FILED IN BOOK 142, PAGES 93 AND 97, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE RECORDER OF THE COUNTY OF LOS ANGELES;
 6. THENCE EASTERLY ALONG THE BOUNDARY OF SAID TRACT AND FOLLOWING THE SAME IN ALL ITS VARIOUS COURSES AND CURVES TO THE SOUTHWESTERLY CORNER OF LOT 53 IN BLOCK 3 OF SAID TRACT;
 7. THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SAID LOT AND THE EASTERLY PROLONGATION THEREOF TO THE BOUNDARY OF LOT 2 IN BLOCK 4 OF SAID TRACT;
 8. THENCE NORTHERLY ALONG SAID LAST MENTIONED BOUNDARY AND FOLLOWING THE SAME IN ALL ITS VARIOUS COURSES AND CURVES TO THE MOST EASTERLY CORNER OF SAID LAST MENTIONED LOT;
 9. THENCE EASTERLY ALONG THE NORTHERLY BOUNDARY OF SAID TRACT TO THE BOUNDARY OF THE CITY OF LOS ANGELES AS SAME EXISTED ON APRIL 3, 1973;
 10. THENCE SOUTHWESTERLY ALONG THE BOUNDARY OF SAID CITY AND FOLLOWING THE SAME IN ALL ITS VARIOUS COURSES TO THE BOUNDARY OF THE COUNTY OF LOS ANGELES, AS SAME EXISTED ON SAID DATE (IN THE PACIFIC OCEAN);
 11. THENCE WESTERLY ALONG THE BOUNDARY OF SAID COUNTY AND FOLLOWING THE SAME IN ALL ITS VARIOUS COURSES TO THE SAN BERNARDINO BASE LINE;
 12. THENCE EASTERLY ALONG SAID BASE LINE TO THE NORTHWEST CORNER OF SECTION 1, TOWNSHIP 1 SOUTH, RANGE 19 WEST, S.B.M.;
 13. THENCE SOUTHERLY ALONG SECTION LINES TO THE POINT OF BEGINNING.

LEGEND:
 BOUNDARY LINE
 # LINE NUMBER PER LEGAL DESCRIPTION



PROPOSED MALIBU UNIFIED SCHOOL DISTRICT BOUNDARIES

Exhibit C: Sample Calculation of Base Year Property Tax Transfer Amount (2 pages, one with inputs one with formulas)

REVIEW DRAFT
(DATED 08/21/24)

Exhibit C: Base Year Property Tax Transfer Calculation

COMPUTATION OF BASE YEAR TARGET SMUSD PER PUPIL REVENUE				
Steps	Year	Formula	Financial Terms Descriptions	
Step 1 (5.a.i)	PY	From Exhibit D1	SMMUSD Total Unrestricted Revenues	\$ 166,000,829
Step 2 (5.a.ii)	-	input	Growth Factor	104.0%
Step 2 (5.a.ii)	CY	projection	Base Year SMMUSD Total Unrestricted Revenues	\$ 172,640,862
Step 3 (5.a.iii)	PY	input	SMMUSD Enrollment - Prior Year	9,113
Step 3 (5.a.iii)	CY		SMMUSD Unadjusted Per Pupil Revenue	\$ 18,944
Step 4 (5.a.iv)	-	input	Per Pupil Cost Differential	\$ (600)
Step 4 (5.a.iv)	CY		Adjusted Per Pupil Revenue	\$ 18,344

COMPUTATION OF SMUSD COMPUTED ENROLLMENT				
Steps	Year	Formula	Financial Terms Descriptions	
Step 5 (5.b.i)	PY		SMMUSD Enrollment - Prior Year	9,113
Step 5 (5.b.i)	PY	input	MUSD Enrollment - Prior Year	1,087
Step 5 (5.b.i)	PY		SMUSD Enrollment - Prior Year	8,026
Step 6 (5.b.ii)	PY		SMUSD Enrollment as Percentage of SMMUSD Enrollment	88.1%
Step 7 (5.b.iii)	-		Applied SMUSD Enrollment Percentage - 88% Cap	88.0%
Step 8 (5.b.iv)	-	factor	SMUSD Computed Enrollment	8,019

COMPUTATION OF SMUSD FUNDING TARGET				
Steps	Year	Formula	Financial Terms Descriptions	
Step 9 (5.c.i)	CY		Adjusted Per Pupil Revenue	\$ 18,344
Step 9 (5.c.i)	-	factor	SMUSD Computed Enrollment	8,019
Step 9 (5.c.i)	CY		Base Year SMUSD Funding Target	\$ 147,112,295

COMPUTATION OF BASE YEAR PROPERTY TAX TRANSFER AMOUNT				
Steps	Year	Formula	Financial Terms Descriptions	
Step 10 (5.d.ii)	CY	From Exhibit D1	SMUSD Unrestricted General Fund Revenues	\$ 128,982,385
Step 11 (5.d.iii)	CY	input	SMUSD Enrollment - Current Year	7,705
Step 11 (5.d.iii)	CY	5h actual rev / 5h act enroll	Base Year SMUSD Per Pupil Revenue	\$ 16,740
Step 12 (5.d.iv)	CY		Base Year SMUSD Funding Target	\$ 147,112,295
Step 12 (5.d.iv)	CY		SMUSD Enrollment - Current Year	7,705
Step 12 (5.d.iv)	CY		Base Year Target SMUSD Per Pupil Revenue	\$ 19,093
Step 13 (5.d.v)	CY	5.f.(2) - 5.h. pp rev actual	Base Year Per Pupil Funding Need	\$ 2,353
Step 14 (5.d.vi)	CY		SMUSD Enrollment - Current Year	7,705
Step 14 (5.d.vi)	CY	(if 5h pp trueup > 0, 5h pp trueup x 5g1b, 0)	Base Year Property Tax Transfer Amount	\$ 18,129,910

Exhibit C: Base Year Property Tax Transfer Calculation

PROOFING COMPUTATIONS & TESTS	
TOTAL SMUSD FUNDING	
SMUSD Unrestricted General Fund Revenues	\$ 128,982,385
Base Year Property Tax Transfer Amount	\$ 18,129,910
Total SMUSD Unrestricted General Fund Revenues - Post Sharing	<u>\$ 147,112,295</u>
SMUSD PER PUPIL FUNDING - PRIOR YEAR	
SMMUSD Total Unrestricted Revenues	\$ 166,000,829
SMMUSD Enrollment - Prior Year	<u>9,113</u>
Unadjusted Per Pupil Funding	\$ 18,216
Per Pupil Cost Differential	<u>\$ (600)</u>
Adjusted Prior Year SMUSD Per Pupil Funding	<u>\$ 17,616</u>
SMUSD REVENUE - PRIOR YEAR	
SMUSD Enrollment - Prior Year (Actual)	8,026
Adjusted Prior Year SMUSD Per Pupil Funding	<u>\$ 17,616</u>
SMUSD Revenue - Prior Year	<u>\$ 141,384,626</u>
SMUSD CHANGE IN ENROLLMENT	
Current Year SMUSD Enrollment	7,705
Prior Year SMUSD Enrollment	<u>8,026</u>
SMUSD Enrollment Growth/(Decline)	<u>(321)</u>
GROWTH IN TOTAL SMUSD REVENUE	4.051%
GROWTH IN PER PUPIL SMUSD FUNDING	8.386%

REVIEW DRAFT
 (DATED 08/21/24)

Exhibit D: Allocation of SMMUSD Revenues and Projected Annual Percentage Increases in Revenues

REVIEW DRAFT
(DATED 08/21/24)

REVENUES	Resource Codes	Object Code	STEP 1 -> (5.a.i)		STEP 2 -> (5.d.i)		STEP 3 -> (5.d.ii)		Basis for		
			Unrestricted Fund SACS - Report	ADJUSTED Unrestricted General Fund SACS - Report	Allocation Factor	SMUSD Allocated Share of Revenues	Agreed Upon Growth Factor	Subsequent Year Inflated Estimate of Unrestricted General Fund Revenues	Allocation	Growth	Comments
LCFF SOURCES											
Principal Apportionment											
State Aid - Current Year		8011	\$ 8,585,843.00	\$ 8,585,843.00	88.1%	\$ 7,561,722.37	0.0%	\$ 7,561,722.37	Enrollment	FLAT	
Education Protection Account State Aid - Current Year		8012	1,891,744.00	1,891,744.00	88.1%	1,666,096.49	0.0%	1,666,096.49	Enrollment	FLAT	
State Aid - Prior Years		8019	-	-	-	-	0.0%	-			
Tax Relief Subventions											
Homeowner Exemption		8021	361,385.49	361,385.49	0.0%	-	0.0%	-	County A/C Computed	FLAT	Information to be obtained from Los Angeles County Auditor-Controller
Timber Yield Tax		8022	-	-	-	-	0.0%	-			
Other Subventions/In-Lieu Taxes		8029	176,176.29	176,176.29	0.0%	-	0.0%	-	County A/C Computed	FLAT	Information to be obtained from Los Angeles County Auditor-Controller
County & District Taxes											
Secured Roll Taxes		8041	74,602,458.34	82,784,543.34	0.0%	70,350,000.00	-	74,008,200.00	County A/C Computed	N/A	Information to be obtained from Los Angeles County Auditor-Controller
Unsecured Roll Taxes		8042	2,528,109.76	2,087,884.76	0.0%	-	-	-	County A/C Computed	N/A	Information to be obtained from Los Angeles County Auditor-Controller
Prior Year Taxes		8043	5,636,072.95	-	0.0%	-	-	-	Excluded	N/A	
Supplemental Taxes		8044	-	-	-	-	-	-			
Education Revenue Augmentation Fund (ERAF)		8045	(86.37)	86.37	-	-	-	-	Excluded	N/A	
Community Redevelopment Funds (SB 617/699/1992)		8047	19,572,246.06	20,152,704.06	0.0%	-	-	-	SMUSD	N/A	Allocated to SMUSD only as RDA only impacts Property Tax collections from the SMUSD area
Penalties & Interest from Delinquent Taxes		8048	54,043.60	-	-	-	-	-	Excluded	N/A	
Miscellaneous Funds (EC 41604)											
Royalties and Bonuses		8081	-	-	-	-	0.0%	-			
Other In-Lieu Taxes		8082	-	-	-	-	0.0%	-			
Less: Non-LCFF (50%) Adjustment		8089	-	-	-	-	0.0%	-			
LCFF Transfers											
Unrestricted LCFF Transfers - Current Year		8091	-	-	-	-	-	-			
All Other LCFF Transfers - Current Year		8091	-	-	-	-	-	-			
LCFF Transfers - to Charter Schools in Lieu of Property Taxes		8096	(316,708.39)	316,708.39	0.0%	-	-	-	Excluded	N/A	
Property Taxes Transfers		8097	-	-	-	-	-	-			
LCFF/Revenue Limit Transfers - Prior Years		8099	-	-	-	-	-	-			
TOTAL, LCFF SOURCES			\$ 113,091,284.73	\$ 116,040,280.94		\$ 79,577,818.86		\$ 83,236,018.86			
FEDERAL REVENUE											
Maintenance and Operations		8110	\$ -	\$ -	-	-	0.0%	-	Excluded	N/A	based on SELPA formula
Forest Reserve Funds		8260	-	-	-	-	0.0%	-	Excluded	N/A	based on SELPA formula
Flood Control Funds		8270	-	-	-	-	0.0%	-	Excluded	N/A	all restricted - not part of 4% guarantee. Will be actual starting in year 1
Wildlife Reserve Funds		8280	-	-	-	-	0.0%	-	Excluded	N/A	all restricted - not part of 4% guarantee. Will be actual starting in year 2
FEMA		8281	-	-	-	-	0.0%	-	Excluded	N/A	all restricted - not part of 4% guarantee. Will be actual starting in year 3
Interagency Contracts Between LEAs		8285	-	-	-	-	0.0%	-	Excluded	N/A	all restricted - not part of 4% guarantee. Will be actual starting in year 4
All Other Fed Revenue	All Other	8290	236,765.79	236,765.79	88.1%	208,524.33	0.0%	208,524.33	Enrollment	FLAT	
TOTAL, FEDERAL REVENUE			\$ 236,765.79	\$ 236,765.79		\$ 208,524.33		\$ 208,524.33			
OTHER STATE REVENUE											
Mandated Cost Reimbursements		8550	\$ 419,710.00	\$ 419,710.00	88.1%	\$ 369,646.93	0.0%	\$ 369,646.93	Enrollment	FLAT	
Lottery - Unrestricted and Instructional Materials		8560	1,789,618.89	1,789,618.89	88.1%	1,576,152.88	0.0%	1,576,152.88	Enrollment	FLAT	
Pass-Through Revenues from State Sources		8590	-	-	88.1%	-	0.0%	-	Excluded	N/A	
All Other State Revenues	All Other	8590	-	-	88.1%	-	0.0%	-	Enrollment	FLAT	exclude ALL non-ongoing
TOTAL, OTHER STATE REVENUE			\$ 2,209,328.89	\$ 2,209,328.89		\$ 1,945,799.81		\$ 1,945,799.81			
OTHER LOCAL REVENUE											
Non-Ad Valorem Taxes											
Parcel Taxes		8621	\$ 13,365,563.57	\$ 13,365,563.57	70.4%	\$ 9,408,094.97	2.0%	\$ 9,596,256.87	PARCEL COUNT	2.00%	
Other		8622	-	-	-	-	0.0%	-			
Sales											
Sale of Equipment/Supplies		8631	-	-	0.0%	-	0.0%	-			
Sale of Publications		8632	-	-	0.0%	-	0.0%	-	Excluded	N/A	not general fund
Food All Other Sales		8634	-	-	0.0%	-	0.0%	-	Excluded	N/A	usually minor
All Other Sales		8639	-	-	0.0%	-	0.0%	-			
Leases and Rentals		8650	520,062.90	520,062.90	100.0%	520,062.90	2.0%	530,464.16	SM Only	2.00%	do lease agreements have a 2% escalator?
Interest		8660	1,401,457.66	1,401,457.66	88.1%	1,234,291.58	0.0%	1,234,291.58	Enrollment	FLAT	
Net Increase (Decrease) in the Fair Value of Investments		8662	(2,011,449.00)	2,011,449.00	0.0%	-	-	-			
Fees and Contracts											
Adult Education Fees		8671	-	-	-	-	0.0%	-			
Non-Resident Students		8672	-	-	-	-	0.0%	-			
Transportation Fees from Individuals		8675	60,088.69	(60,088.69)	0.0%	-	0.0%	-			
Interagency Services		8677	-	-	-	-	0.0%	-			
All Other Fees and Contracts		8689	-	-	-	-	0.0%	-			
Other Local Revenue											
Plus: Misc Funds Non-LCFF (50%) Adjustment		8691	-	-	-	-	0.0%	-			
Pass-Through Revenues From Local Sources		8697	-	-	-	-	0.0%	-			
All Other Local Revenues											
Measure Y/GSH	0000-1999	8699	17,828,099.00	17,828,099.00	100.0%	17,828,099.00	0.0%	17,828,099.00	SM Only	FLAT	
Santa Monica Joint Use	0000-1999	8699	10,146,061.00	10,146,061.00	100.0%	10,146,061.00	2.0%	10,348,982.22	SM Only	2.00%	
Santa Monica Education Foundation	0000-1999	8699	1,219,792.00	1,219,792.00	100.0%	1,219,792.00	0.0%	1,219,792.00	SM Only	FLAT	
Malibu Joint Use	0000-1999	8699	199,261.00	199,261.00	0.0%	-	2.0%	-	Maibu Only	N/A	
Malibu Education Foundation	0000-1999	8699	-	-	0.0%	-	0.0%	-	Maibu Only	N/A	
Miscellaneous Other Local Revenues	0000-1999	8699	2,834,156.56	2,834,156.56	100.0%	2,834,156.56	0.0%	2,834,156.56	Analysis	FLAT	
Tuition		8710	-	-	-	-	0.0%	-			
All Other Transfers In		8781-8783	-	-	-	-	0.0%	-			
Transfers of Apportionments											
Other Transfers of Apportionments											
From Districts or Charter Schools	All Other	8791	-	-	-	-	0.0%	-			
From County Offices	All Other	8792	-	-	-	-	0.0%	-			
From JPAs	All Other	8793	-	-	-	-	0.0%	-			
All Other Transfers In from All Others	All Other	8799	-	-	-	-	0.0%	-			
TOTAL, OTHER LOCAL REVENUES			\$ 45,563,093.38	\$ 47,514,453.69		\$ 43,190,558.02		\$ 43,592,042.39			
TOTAL UNRESTRICTED GENERAL FUND REVENUES			\$ 161,100,472.79	\$ 166,000,829.31		\$ 124,922,701.02		\$ 128,982,385.39			

REVENUES	Resource Codes	Object Code	STEP 1 -> (5.a.i)		STEP 2 -> (5.d.i)		STEP 3 -> (5.d.ii)		Basis for			
			Unrestricted General Fund SACS - Report	Adjustments (for one-time and revenues and other purposes)	ADJUSTED Unrestricted General Fund SACS - Report	Allocation Factor	SMUSD Allocated Share of Revenues	Agreed Upon Growth Factor	Subsequent Year Inflated Estimate of Unrestricted General Fund Revenues	Allocation	Growth	Comments
LCFF SOURCES												
Principal Apportionment												
State Aid - Current Year		8011	\$ 7,543,206.42		\$ 7,543,206.42	100.0%	\$ 7,543,206.42	0.0%	\$ 7,543,206.42	Enrollment	FLAT	
Education Protection Account State Aid - Current Year		8012	1,662,016.82		1,662,016.82	100.0%	1,662,016.82	0.0%	1,662,016.82	Enrollment	FLAT	
State Aid - Prior Years		8019	446.31		446.31	100.0%	446.31	0.0%	446.31			
Tax Relief Subventions												
Homeowner Exemption		8021	238,374.08		238,374.08	100.0%	238,374.08	0.0%	238,374.08	County A/C Computed	FLAT	Information to be obtained from Los Angeles County Auditor-Controller
Timber Yield Tax		8022	-		-		-	0.0%	-			
Other Subventions/In-Lieu Taxes		8029	122,887.89		122,887.89	100.0%	122,887.89	0.0%	122,887.89	County A/C Computed	FLAT	Information to be obtained from Los Angeles County Auditor-Controller
County & District Taxes												
Secured Roll Taxes		8041	54,347,413.59	-	54,347,413.59	100.0%	54,347,413.59		57,064,784.27	County A/C Computed	N/A	Information to be obtained from Los Angeles County Auditor-Controller
Unsecured Roll Taxes		8042	1,760,383.25	-	1,760,383.25	100.0%	1,760,383.25		1,848,402.41	County A/C Computed	N/A	Information to be obtained from Los Angeles County Auditor-Controller
Prior Year Taxes		8043	1,815,411.39	(1,815,411.39)	-	0.0%	-		-	Excluded	N/A	
Supplemental Taxes		8044	1,705.68	-	1,705.68	100.0%	1,705.68		1,790.97			
Education Revenue Augmentation Fund (ERAF)		8045	-	-	-	0.0%	-		-	Excluded	N/A	
Community Redevelopment Funds (SB 617/699/1992)		8047	21,799,348.48	-	21,799,348.48	100.0%	21,799,348.48		22,889,315.90	SMUSD	N/A	Allocated to SMUSD only as RDA only impacts Property Tax collections from the SMUSD area
Penalties & Interest from Delinquent Taxes		8048	62,065.63	(62,065.63)	-	0.0%	-		-	Excluded	N/A	
Miscellaneous Funds (EC 41604)												
Royalties and Bonuses		8081	-	-	-		-	0.0%	-			
Other In-Lieu Taxes		8082	-	-	-		-	0.0%	-			
Less: Non-LCFF (50%) Adjustment		8089	-	-	-		-	0.0%	-			
LCFF Transfers												
Unrestricted LCFF Transfers - Current Year		8091	-	-	-		-		-			
All Other LCFF Transfers - Current Year		8091	-	-	-		-		-			
LCFF Transfers - to Charter Schools in Lieu of Property Taxes		8096	(144,286.00)	144,286.00	-	0.0%	-		-	Excluded	N/A	
Property Taxes Transfers		8097	-	-	-		-		-			
LCFF/Revenue Limit Transfers - Prior Years		8099	-	-	-		-		-			
TOTAL, LCFF SOURCES			\$ 89,208,973.56		\$ 87,475,782.54		\$ 87,475,782.54		\$ 91,371,225.09			
FEDERAL REVENUE												
Maintenance and Operations		8110	\$ -	-	\$ -		-	0.0%	\$ -	Excluded	N/A	based on SELPA formula
Forest Reserve Funds		8260	-	-	-		-	0.0%	-	Excluded	N/A	based on SELPA formula
Flood Control Funds		8270	-	-	-		-	0.0%	-	Excluded	N/A	all restricted - not part of 4% guarantee. Will be actual starting in year 1
Wildlife Reserve Funds		8280	-	-	-		-	0.0%	-	Excluded	N/A	all restricted - not part of 4% guarantee. Will be actual starting in year 2
FEMA		8281	-	-	-		-	0.0%	-	Excluded	N/A	all restricted - not part of 4% guarantee. Will be actual starting in year 3
Interagency Contracts Between LEAs		8285	-	-	-		-	0.0%	-	Excluded	N/A	all restricted - not part of 4% guarantee. Will be actual starting in year 4
All Other Fed Revenue	All Other	8290	-	-	-	100.0%	-	0.0%	-	Enrollment	FLAT	
TOTAL, FEDERAL REVENUE			\$ -		\$ -		\$ -		\$ -			
OTHER STATE REVENUE												
Mandated Cost Reimbursements		8550	\$ 345,770.88		\$ 345,770.88	100.0%	\$ 345,770.88	0.0%	\$ 345,770.88	Enrollment	FLAT	
Lottery - Unrestricted and Instructional Materials		8560	1,521,434.50		1,521,434.50	100.0%	1,521,434.50	0.0%	1,521,434.50	Enrollment	FLAT	
Pass-Through Revenues from State Sources		8590	-		-	0.0%	-	0.0%	-	Excluded	N/A	
All Other State Revenues	All Other	8590	327,448.90		327,448.90	100.0%	327,448.90	0.0%	327,448.90	Enrollment	FLAT	exclude ALL non-ongoing
TOTAL, OTHER STATE REVENUE			\$ 2,194,654.28		\$ 2,194,654.28		\$ 2,194,654.28		\$ 2,194,654.28			
OTHER LOCAL REVENUE												
Non-Ad Valorem Taxes												
Parcel Taxes		8621	\$ 10,084,459.14		\$ 10,084,459.14	100.0%	\$ 10,084,459.14	2.0%	\$ 10,286,148.32	PARCEL COUNT	2.00%	
Other		8622	-		-		-	0.0%	-			
Sales												
Sale of Equipment/Supplies		8631	-		-	0.0%	-	0.0%	-			
Sale of Publications		8632	-		-	0.0%	-	0.0%	-	Excluded	N/A	not general fund
Food All Other Sales		8634	-		-	0.0%	-	0.0%	-	Excluded	N/A	usually minor
All Other Sales		8639	-		-	0.0%	-	0.0%	-			
Leases and Rentals		8650	1,798,950.00		1,798,950.00	100.0%	1,798,950.00	2.0%	1,834,929.00	SM Only	2.00%	do lease agreements have a 2% escalator?
Interest		8660	2,135,174.62		2,135,174.62	100.0%	2,135,174.62	0.0%	2,135,174.62	Enrollment	0.00%	
Net Increase (Decrease) in the Fair Value of Investments		8662	540,630.95	(540,630.95)	-	0.0%	-		-			
Fees and Contracts												
Adult Education Fees		8671	-		-		-	0.0%	-			
Non-Resident Students		8672	-		-		-	0.0%	-			
Transportation Fees from Individuals		8675	-		-	0.0%	-	0.0%	-			
Interagency Services		8677	-		-		-	0.0%	-			
All Other Fees and Contracts		8689	-		-		-	0.0%	-			
Other Local Revenue												
Plus: Misc Funds Non-LCFF (50%) Adjustment		8691	-		-		-	0.0%	-			
Pass-Through Revenues From Local Sources		8697	-		-		-	0.0%	-			
All Other Local Revenues												
Measure Y/GSH	0000-1999	8699	18,556,185.00		18,556,185.00	100.0%	18,556,185.00	0.0%	18,556,185.00			
Santa Monica Joint Use	0000-1999	8699	10,551,903.00		10,551,903.00	100.0%	10,551,903.00	2.0%	10,762,941.06			
Santa Monica Education Foundation	0000-1999	8699	2,445,379.00		2,445,379.00	100.0%	2,445,379.00	0.0%	2,445,379.00			
Malibu Joint Use	0000-1999	8699	-		-	0.0%	-	2.0%	-			
Malibu Education Foundation	0000-1999	8699	-		-	0.0%	-	0.0%	-			
Miscellaneous Other Local Revenues	0000-1999	8699	788,419.55		788,419.55	100.0%	788,419.55	0.0%	788,419.55			
Tuition		8710	-		-		-	0.0%	-			
All Other Transfers In		8781-8783	-		-		-	0.0%	-			
Transfers of Apportionments												
Other Transfers of Apportionments												
From Districts or Charter Schools	All Other	8791	-		-		-	0.0%	-			
From County Offices	All Other	8792	-		-		-	0.0%	-			
From JPAs	All Other	8793	-		-		-	0.0%	-			
All Other Transfers In from All Others	All Other	8799	-		-		-	0.0%	-			
TOTAL, OTHER LOCAL REVENUES			\$ 46,901,101.25		\$ 46,360,470.30		\$ 46,360,470.30		\$ 46,809,176.55			
TOTAL UNRESTRICTED GENERAL FUND REVENUES			\$ 138,304,729.09		\$ 136,030,907.12		\$ 136,030,907.12		\$ 140,375,055.91			

Exhibit E: Sample Calculation of Annual Property Tax Transfer Amount (2 pages, one with inputs one with formulas)

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(DATED 08/21/24)

Exhibit E: Annual Property Tax Transfer Calculation**COMPUTATION TO DETERMINE SMUSD PER PUPIL REVENUE**

Steps	Year	Formula	Financial Terms Descriptions	
Step 1 (6.a)	PY		Prior Year SMUSD Funding Target	\$ 147,112,295
Step 1 (6.a)	PY		Prior Year SMUSD Enrollment	7,705
Step 1 (6.a)	PY		SMUSD Per Pupil Revenue	\$ 19,093

COMPUTATION TO DETERMINE SMUSD FUNDING TARGET

Steps	Year	Formula	Financial Terms Descriptions	
Step 2 (6.b)	PY		Prior Year SMUSD Funding Target	\$ 147,112,295
Step 2 (6.b)			Growth Factor	104%
Step 2 (6.b)	CY		Current Year SMUSD Funding Target	\$ 152,996,787

COMPUTATION TO DETERMINE SMUSD TARGET PER PUPIL REVENUE

Steps	Year	Formula	Financial Terms Descriptions	
Step 3 (6.c)	CY		Current Year SMUSD Funding Target	\$ 152,996,787
Step 3 (6.c)	CY		Current Year SMUSD Enrollment	7,555
Step 3 (6.c)	CY		Target SMUSD Per Pupil Revenue	\$ 20,251

COMPUTATION TO DETERMINE SMUSD UNRESTRICTED GENERAL FUND REVENUE

Steps	Year	Formula	Financial Terms Descriptions	
Step 4 (6.d)		From Exhibit D2	SMUSD Unrestricted General Fund Revenue	\$ 140,375,056

COMPUTATION TO DETERMINE SMUSD ACTUAL PER PUPIL REVENUE

Steps	Year	Formula	Financial Terms Descriptions	
Step 5 (6.e)			SMUSD Unrestricted General Fund Revenue	\$ 140,375,056
Step 5 (6.e)	CY		SMUSD Enrollment	7,555
Step 5 (6.e)			SMUSD Actual Per Pupil Revenue	\$ 18,580

COMPUTATION TO DETERMINE PER PUPIL FUNDING NEED

Steps	Year	Formula	Financial Terms Descriptions	
Step 6 (6.f)	CY		Target SMUSD Per Pupil Revenue	\$ 20,251
Step 6 (6.f)	CY		SMUSD Actual Per Pupil Revenue	18,580
Step 6 (6.f)	CY		Per Pupil Funding Need	\$ 1,671

COMPUTATION TO DETERMINE PROPERTY TAX TRANSFER AMOUNT

Steps	Year	Formula	Financial Terms Descriptions	
Step 7 (6.g)	CY		Per Pupil Funding Need	\$ 1,671
Step 7 (6.g)			Per Pupil Funding Need is Positive?	TRUE
Step 7 (6.g)	CY		SMUSD Enrollment	7,555
Step 7 (6.g)	CY		Property Tax Transfer Amount	\$ 12,621,731

Exhibit E: Annual Property Tax Transfer Calculation

PROOFING COMPUTATIONS & TESTS		
TOTAL SMUSD FUNDING		
SMUSD Unrestricted General Fund Revenues	\$	140,375,056
Base Year Property Tax Transfer Amount	\$	12,621,731
Total SMUSD Unrestricted General Fund Revenues - Post Sharing	\$	152,996,787
SMUSD PER PUPIL FUNDING - PRIOR YEAR		
SMUSD Total Unrestricted Revenues	\$	147,112,295
SMUSD Enrollment - Prior Year		7,705
Prior Year SMUSD Per Pupil Funding	\$	19,093
SMUSD PER PUPIL FUNDING - CURRENT YEAR		
SMUSD Total Unrestricted Revenues	\$	152,996,787
SMUSD Enrollment - Prior Year		7,555
Current Year SMUSD Per Pupil Funding	\$	20,251
SMUSD PER PUPIL FUNDING - GROWTH OVER PRIOR YEAR		
Current Year SMUSD Per Pupil Funding	\$	20,251
Prior Year SMUSD Per Pupil Fundomg	\$	19,093
Per Pupil Funding Growth Percentage		6.1%
SMUSD TOTAL FUNDING - GROWTH OVER PRIOR YEAR		
Current Year Total SMUSD Per Pupil Funding	\$	152,996,787
Prior Year Total SMUSD Per Pupil Funding	\$	147,112,295
Total Funding Growth Percentage		4.0%

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 (DATED 08/21/24)

Exhibit F: Calculations to Address Change in Other Local Revenues

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(DATED 08/21/24)

IN PROGRESS EXHIBIT F

Permanent or Temporary Changes in Allocation of Other Local Revenue Sources

Other Local Revenue Source	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Instance #1													
Joint Use Impairment Amount	\$ -	\$ -	\$ (8,000,000)	\$ (8,000,000)	\$ (8,000,000)	\$ (8,000,000)	\$ (8,000,000)	\$ (8,000,000)	\$ (6,000,000)	\$ (6,000,000)	\$ (6,000,000)	\$ (4,000,000)	\$ -
Recoupment of Impaired Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ 4,000,000	\$ -
Loss Reflected In Unaduted Actual Report?			NO	YES									
Percentage for Property Tax Sharing Adjustment	0.00%	0.00%	12.00%	-88.00%	-88.00%	-88.00%	-88.00%	-88.00%	-88.00%	-88.00%	-88.00%	-88.00%	0.00%
Property Tax Transfer Adjustment for Instance #1	\$ -	\$ -	\$ 960,000	\$ (7,040,000)	\$ (5,280,000)	\$ (5,280,000)	\$ (5,280,000)	\$ (3,520,000)	\$ -				
Instance #2													
Sales Tax Allocation Reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,500,000)	\$ (3,500,000)	\$ (3,500,000)	\$ (3,500,000)	\$ (3,500,000)	\$ (3,500,000)
Recoupment of Impaired Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss Reflected In Unaduted Actual Report?								NO	YES	YES	YES	YES	YES
Percentage for Property Tax Sharing Adjustment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.00%	-88.00%	-88.00%	-88.00%	-88.00%	-88.00%
Property Tax Transfer Adjustment for Instance #2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420,000	\$ (3,080,000)				

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(DATED 08/21/24)

Exhibit G: Fund Balance Allocation Adjustments

REVIEW DRAFT
(DATED 08/21/24)

Exhibit G: Fund Balance Allocation Adjustments

	<u>FLOOR</u>	<u>BASE PROJECTION</u>	
YEAR 1	MUSD YEAR 1 UNRESTRICTED GF BALANCE ALLOCATION	\$ 5,500,000	\$ 7,500,000
	MUSD YEAR 1 PROJECTED DEFICIT	<u>(2,000,000)</u>	<u>(2,000,000)</u>
	MUSD PROJECTED YEAR 1 ENDING FUND BALANCE	<u>\$ 3,500,000</u>	<u>\$ 5,500,000</u>
	<i>Est. Required Reserve for Econ. Uncertainties</i>	\$ 2,000,000	\$ 2,000,000
	<i>"Available" Fund Balance above Minimum Req. Reserve</i>	\$ 1,500,000	\$ 3,500,000
YEAR 2	MUSD YEAR 2 BEGINNING GF BALANCE	\$ 3,500,000	\$ 5,500,000
	YEAR 2 RSA ADJUSTMENT - (Reducing Required Transfer)	1,332,000	-
	MUSD DEFICIT YEAR 2	<u>(2,700,000)</u>	<u>(2,700,000)</u>
	MUSD PROJECTED YEAR 2 ENDING FUND BALANCE	<u>\$ 2,132,000</u>	<u>\$ 2,800,000</u>
	<i>Est. Required Reserve for Econ. Uncertainties</i>	\$ 2,000,000	\$ 2,000,000
<i>"Available" Fund Balance above Minimum Req. Reserve</i>	\$ 132,000	\$ 800,000	
YEAR 3	MUSD YEAR 3 BEGINNING GF BALANCE	\$ 2,132,000	\$ 2,800,000
	YEAR 3 RSA ADJUSTMENT - (Reducing Required Transfer)	891,000	-
	MUSD DEFICIT YEAR 3	<u>(800,000)</u>	<u>(800,000)</u>
	MUSD PROJECTED YEAR 3 ENDING FUND BALANCE	<u>\$ 2,223,000</u>	<u>\$ 2,000,000</u>
	<i>Est. Required Reserve for Econ. Uncertainties</i>	\$ 2,000,000	\$ 2,000,000
<i>"Available" Fund Balance above Minimum Req. Reserve</i>	\$ 223,000	-	

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 (DATED 08/21/24)